



ENERGY ASSURANCE DAILY

Thursday Evening, June 17, 2010

Major Developments

Update: BP to Boost Oil Collection Capacity to 28,000 b/d Early Next Week in Gulf of Mexico: U.S. Coast Guard

BP captured 14,750 barrels of oil and burned an additional 3,850 barrels on June 16 via its dual oil-handling system at the site of the blown-out MC252 oil well in the Gulf of Mexico, the company said. The U.S. Coast Guard expected the company to boost the system's capacity to 28,000 b/d early next week, to 53,000 b/d by the end of the month, and to 80,000 b/d the middle of next month.

<http://www.bp.com/extendedsectiongenericarticle.do?categoryId=40&contentId=7061813>

Reuters, 12:27 June 17, 2010

Update: BP Chief Hayward Testifies in Congress on Deepwater Horizon Disaster June 17

http://money.cnn.com/2010/06/17/news/companies/hayward_testimony/index.htm?hpt=T1

Electricity

Citing Potential for Grid Stress, Multiple Louisiana Utilities Urge Customers to Conserve Energy June 17

<http://www.theadvocate.com/news/acadiana/96569329.html>

Dominion's 917 MW North Anna Nuclear Unit 2 in Virginia Shut June 16

The unit shut automatically due to an apparent lightning strike, the company said in a filing with the Nuclear Regulatory Commission (NRC). The NRC reported that on the morning of June 16 the unit was operating at 98 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2010/20100617en.html>

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

FPL's 839 MW Saint Lucie Nuclear Unit 1 in Florida Shut June 16

Operators shut the unit on June 16 "after two control rods dropped," the company said in a filing with the Nuclear Regulatory Commission (NRC). The NRC reported that on the morning of June 16 the unit was operating at 45 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2010/20100617en.html>

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

Calpine's 366 MW Inland Empire Gas-Fired Unit 2 in California Shut by June 16

According to the California Independent System Operator, the unit reported an unplanned outage by June 16.

<http://www.caiso.com/unitstatus/data/unitstatus201005211515.html>

Update: Duke Energy's 1,100 MW McGuire Nuclear Unit 1 in North Carolina at Full Power by June 17

Operators shut the unit on June 12 "due to a control rod drop indication," the company said in a previous filing with the Nuclear Regulatory Commission (NRC). The NRC reported that on the morning of June 16 the unit was operating at 75 percent.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2010/20100614en.html>

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

Update: DTE's 1,089 MW Fermi Nuclear Unit 2 in Michigan Ramped Up to 34 Percent by June 17

The unit shut automatically on June 6 after strong thunderstorms affected one of two offsite power feeds to the plant, the company said previously. Operators declared an Alert shortly after, citing to potential physical damage to a building inside the plant's Protected Area. The storm appeared to have blown some siding off a plant building. The Nuclear Regulatory Commission reported that on the morning of June 16 the unit was operating at 10 percent.

<http://dteenergy.mediaroom.com/index.php?s=43&item=523>

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

Constellation's 835 MW Calvert Cliffs Nuclear Unit 2 in Maryland Reduced to 83 Percent by June 17

The Nuclear Regulatory Commission reported that on the morning of June 16 the unit was operating at full power. Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

Update: PSE&G's 1,096 MW Salem Nuclear Unit 1 in New Jersey Ramped up to 8 Percent by June 17

PSE&G shut the unit on June 15 to fix a valve, a spokesman said. The Nuclear Regulatory Commission reported that on the morning of June 16 the unit was operating at 2 percent.

http://www.nj.com/business/index.ssf/2010/06/salem_1_nuclear_reactor_has_un.html

http://www.nj.com/business/index.ssf/2010/06/psegs_salem_1_nuclear_reactor.html

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

SWEPSCO Brings Online 508 MW J. Lamar Stall Gas-Fired Unit in Louisiana June 16

American Electric Power's Southwestern Electric Power Company (SWEPSCO) began commercial operation of the 508 MW J. Lamar Stall combined-cycle natural gas-fired power unit at Arsenal Hill in Shreveport, Louisiana.

<http://www.aep.com/newsroom/newsreleases/?id=1616>

Petroleum

FCC Unit Shut at Valero's 170,000 b/d McKee, Texas Refinery June 16

A 55,000 b/d gasoline-producing fluid catalytic cracker (FCC) "was shut down yesterday for a repair" at Valero's , 170,000 b/d McKee refinery in Sunray, Texas, and the unit could remain offline until mid-July, a company spokesman said. In a regulatory filing, Valero said the failure of the expander coupling on the power train had triggered an "FCC upset."

<http://english.capital.gr/news.asp?id=993481>

<http://www.reuters.com/article/idUSSGE65G04920100617>

<http://af.reuters.com/article/energyOilNews/idAFWNA363020100617>

<http://www11.tceq.state.tx.us/oce/eer/index.cfm?fuseaction=main.getDetails&target=141251>

Update: ConocoPhillips Reduces Gasoline Production after Fire at 100,000 b/d Ferndale, Washington Refinery

ConocoPhillips reduced gasoline output at its 100,000 b/d Ferndale, Washington refinery after a fire on June 15, traders said yesterday. The company shut an alkylation unit and a butamer, according to a report from the Northwest Clean Air Agency.

http://online.wsj.com/article/BT-CO-20100617-707727.html?mod=WSJ_World_MIDDLEHeadlinesEurope
<http://www.iii.co.uk/news/?type=afxnews&articleid=7947169&action=article>

Update: BP-Husky Refining to Restart FCC at 125,500 b/d Toledo, Ohio Refinery June 17

BP-Husky Refining LLC was expected to return a gasoline-producing fluid catalytic cracking unit (FCC) to normal operations on June 17 at its 125,500 b/d Toledo, Ohio refinery, two days after the unit shut due to a boiler failure, according to a source familiar with the facility's operations.

<http://www.nasdaq.com/aspx/stock-market-news-story.aspx?storyid=201006161530dowjonesdjonline000642&title=bp-husky-ohio-refinery-gasoline-making-unit-to-restart-thursday-source>

Reuters, 09:27 June 16, 2010

Update: After Late-2009 Explosion, Silver Eagle Expects to Operate 10,250 b/d Woods Cross, Utah Refinery at Sharply-Reduced Rates for Five to Six More Months

Silver Eagle Refining has restarted just one, 4,000 b/d operating unit since it shut the entire refinery after an early-November, 2009 explosion, and it does not expect to restart additional units "through the next five or six months," a company official said on June 15.

<http://www.deseretnews.com/article/700040614/Silver-Eagle-refinery-expects-to-have-only-one-unit-operating-for-next-several-months.html>

Valero to Double Capacity of Existing Crude Oil Gathering System in North Texas and Oklahoma Panhandle

Valero expects the expansion to increase the amount of crude oil available to be processed at the 170,000 b/d McKee refinery in the Texas Panhandle. It plans to complete the project by the fourth quarter of 2010. The work will involve looping existing pipeline from Valero's storage facility in Perryton, Texas, additional pump stations, and storage facilities.

http://www.valero.com/NewsRoom/Pages/PR_201016_0.aspx

Cenovus Plans Five-Fold Increase in Bitumen Production by End of 2019 in Alberta, Canada

Cenovus expects to produce 300,000 b/d of bitumen net to the company by the end of 2019, or five times more than current output levels, it said on June 16. The company has a "best estimate total bitumen initially-in-place" of 137 billion barrels, from an independent evaluator. Cenovus' plans (ConocoPhillips has a 50 percent stake in Foster Creek, Christina Lake, and Narrow Lake, so the figures far exceed Cenovus' expected 300,000 b/d of net production):

- It expects to produce about 235,000 b/d by 2019 at its existing 120,000 b/d Foster Creek project. It plans to produce 150,000 b/d by 2014, 180,000 b/d by 2016, and 210,000 b/d by 2017.
- It expects to produce 258,000 b/d at its existing 18,000 b/d Christina Lake project by 2019. It plans to produce 58,000 b/d the third quarter of 2011, 98,000 b/d by the second quarter of 2013, 138,000 b/d by 2014, 178,000 b/d 2016, and 218,000 b/d 2017.
- It plans to produce 130,000 b/d by 2016 at its Narrows Lake project.
- It plans to produce 60,000 b/d at its Grand Rapids project by 2017, and 120,000 b/d and 180,000 b/d at unspecified dates.
- It plans to produce 35,000 b/d at its Telephone Lake project at an unspecified date, and eventually boost that total to 50,000 b/d.

<http://www.cenovus.com/news/news-releases/2010/0616-bitumen-initially-in-place.pdf>

ExxonMobil Reports Hydrocracker Compressor Leak at 503,000 b/d Baton Rouge, Louisiana Refinery

It was not clear if the incident had any impact to production.
Reuters, 10:31 June 17, 2010

Update: Chevron Replaces 22-Foot Segment along Ruptured Pipeline in Utah

Chevron replaced a 22-foot segment along the pipeline that leaked nearly 800 barrels of oil over the weekend, but the company said it could not restart the line until it received federal approval. A company spokesman, meanwhile, denied that the spill had reached the Great Salt Lake. The Environmental Protection Agency (EPA) also said the spill did not appear to have reached the lake. County and wildlife officials had reported spotting a “sheen” in the lake’s bays and wetlands.

<http://www.deseretnews.com/article/700040818/Section-of-Red-Butte-pipe-replaced.html>

Natural Gas

Paramount Energy Trust Begins Commercial Operations at Planned 17 Bcf Natural Gas Storage Project in Alberta, Canada

Paramount Energy Trust’s subsidiary, Warwick Gas Storage Inc. (WGSII), began commercial injection of natural gas in early May of 2010. The company limited initial injections to 22 MMcf/d. It plans to enter into park and loan transactions for up to 8 to 10 Bcf of natural gas storage for withdrawal in the period of December 2010 through March 2011, and aims to utilize an estimated 17 Bcf of storage capacity in 2011. It expects the facility to be capable of 1.5 injection and withdrawal cycles of 22 to 25 Bcf of working gas per year.

<http://www.paramountenergy.com/en/investor/pet-2010-06-17.pdf>

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
June 23, 2010			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	76.38	75.52	71.07
NATURAL GAS Henry Hub \$/Million Btu	5.13	4.75	4.17

Source: Reuters

Energy Notes

Georgia Power Reports 20,000 Customers Without Electricity in Atlanta, Georgia during June 15 Storms

<http://www.ajc.com/news/power-restored-in-downtown-551418.html>

Xcel Reports Loss of 48 of 106 Emergency Preparedness Sirens at 578 MW Monticello Nuclear Power Plant in Minnesota June 16 – Sirens Restarted within Hours of Discovery
<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2010/20100617en.html>

Dominion Reports Non-Responsive Sirens at North Anna Nuclear Power Plant in Virginia June 16 - Issue Resolved within Half an Hour
<http://www.nrc.gov/reading-rm/doc-collections/event-status/event/2010/20100617en.html>

Cops Nab Three for Alleged Copper Thefts from AEP Sites in Ohio
<http://www.10tv.com/live/content/local/stories/2010/06/16/story-columbus-aep-copper-theft.html>

Dominion Mulling Uprate at 1,227 MW Millstone Nuclear Unit 3 in Connecticut
http://nuclearstreet.com/blogs/nuclear_power_news/archive/2010/06/15/dominion-studying-millstone-nuclear-power-plant-unit-3-power-uprate-06151.aspx

ConocoPhillips Purchasing Gasoline for 120,000 b/d Rodeo, California Refinery after Snags over Past Two Weeks: Traders
<http://www.iii.co.uk/news/?type=afxnews&articleid=7947169&action=article>

Fuel Tanker Rolls Over, Catches Fire in California June 15 – Tanker Contained Approximately 9,000 Gallons of Fuel
<http://www2.wnct.com/news/2010/jun/17/oil-tanker-ignites-highway-ar-223737/>

Ohio EPA Sues Heartland Refinery Group for Alleged Air Pollution Violations at Oil Recycling Refinery
<http://www.istockanalyst.com/article/viewiStockNews/articleid/4221029>

Pemex to Pursue New Refinery in Hidalgo, Mexico
http://www.downstreamtoday.com/news/article.aspx?a_id=23026

Connecticut Passes Law that Could Require Sellers to Reduce the Sulfur Content in Home Heating Oil and Blend Oil with Biodiesel – Surrounding States Would Have to Pass Similar Legislation for Law to Take Effect
<http://www.theday.com/article/20100617/BIZ02/306179446/-1/BIZ>

Southern Pacific Resource Corp. Plans to Break Ground in Fall 2010 on Proposed 12,000 b/d McKay SAGD Oil Sands Project in Alberta, Canada – Company Expects to Pursue Two Similarly-Sized Expansions
<http://www.edmontonjournal.com/business/oilsands+project+just+around+corner/3164633/story.html>

Seal Failures Cut Sulfinol Flow at Eustace Gas Plant in Texas June 16
<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=141252>

Generator Shutdown at Fullerton Plant Leads to Flaring at Andrews Booster Station in Texas June 16
<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=141264>

P-12 Shutdown Triggers Flaring at Dollarhide Gas Plant in Texas June 16
<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=141259>

Crack Found that Could Have Enabled Methane Gas to Enter through Floor ahead of Fatal April Explosion at Massey Energy's Upper Big Branch Coal Mine in West Virginia

<http://www.foxnews.com/us/2010/06/15/massey-says-teams-crack-allowed-methane-doomed-wva-mines-floor/>

Hydro Resources to Pursue Uranium Mining Project in Arizona after Federal Appeals Court Says Proposed Parcel Not Part of Navajo Territory

<http://www.google.com/hostednews/ap/article/ALeqM5jXPxfr6sn5Oc8OmeHgml7fSlqSWAD9GC3IVO0>

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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